

**BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

**Application of Milwaukee Water Works, Milwaukee
County, Wisconsin, for Authority to Increase Water
Rates**

3720-WR-107

REBUTTAL TESTIMONY OF DAVID PROCHASKA

MAY 14, 2010

1 **Q. Please state your name.**

2 A. My name is David Prochaska.

3 **Q. Have you previously submitted direct testimony in this proceeding?**

4 A. Yes.

5 **Q. What is the purpose of your rebuttal testimony?**

6 A. The purpose of my rebuttal testimony is to address rate design issues discussed in
7 the direct testimony of MillerCoors, LLC (MillerCoors) witness Michael Gorman.

8 **Q. On pages D13.18 through D13.20 of his direct testimony, Mr. Gorman raises**
9 **concerns with the initial rate design, especially with respect to the Urban Industrial**
10 **class as a whole and the largest Urban Industrial customers in particular. He**
11 **follows on page D13.21 with some revenue allocation recommendations. How would**
12 **you respond to his concerns and his recommendations?**

13 A. As Mr. Gorman stated on page D13.21 of his direct testimony, he had not had a chance to
14 study in any detail Exhibit 12.4, Alternative Rate Design Proposal (PSC REF#: 130475),
15 prior to filing his testimony. I believe that I have addressed many of the concerns that
16 Mr. Gorman raises in his direct testimony in my alternative rate design, as it would

1 further temper the impact to the Urban Industrial class and to the largest Urban Industrial
2 customers in particular. I assume that Mr. Gorman will address any further rate design
3 concerns in rebuttal testimony. As needed, I will comment on Mr. Gorman's concerns
4 and recommendations in any rebuttal testimony he may file in my surrebuttal testimony.

5 **Q. On page D13.22 of his testimony, Mr. Gorman proposes bill consolidation for**
6 **certain large customers that have multiple metered accounts at a single location. Do**
7 **you support this recommendation?**

8 A. This is already being done for MillerCoors and for other customers under Section 5.1.10
9 of MWW Water Utility Operating Rules, Schedule X-1, Sheet No. 37 of 43:

10 **5.1.10 Combining Metered Consumption**
11

12 In order to give the customer the economy of volume use under a
13 block rate schedule, metered consumption for billing purposes may be
14 combined only where two or more metered services supply a single
15 premise and where the water through all such services is to be billed to a
16 single customer.
17

18 Metered consumption may also be combined for billing purposes
19 where two or more metered services supply contiguous and adjoining
20 premises under single ownership or lease, and where the average quarterly
21 consumption is over 500,000 cubic feet. For purposes of this Rule,
22 "contiguous and adjoining" shall mean within an area bounded by public
23 streets, not considering alleys as public streets.
24

25 All metered consumption for an account under the Suburban
26 Resale and County Service Rate having two or more metered services will
27 be combined, including the demand registration for extra capacity charges.
28

29 When metered registration is combined for billing purposes and
30 the applicable rate includes a service charge, the full service charge for
31 each meter shall be billed.
32

33 For billing purposes, MWW has set up 14 customer accounts for MillerCoors. Eleven of
34 these accounts have a single meter with little consumption. The other three accounts
35 combine the meter readings of nine, seven, and six meters, respectively, and account for

1 98.43 percent of MillerCoors' water consumption. While combining the meter readings
2 of these meters for billing purposes is an acceptable practice for MWW based on its
3 Water Utility Operating Rules, it is somewhat of a departure from our general policy
4 regarding combined metering. For the vast majority of the nearly 600 public water
5 utilities in Wisconsin, the following paragraph is included in Schedule Mg-1, General
6 Service - Metered:

7 Combined Metering: Volumetric meter readings will be combined for
8 billing if the utility for its own convenience places more than one meter on
9 a single water service lateral. Multiple meters placed for the purpose of
10 identifying water not discharged into the sanitary sewer are not considered
11 for utility convenience and shall not be combined for billing. This
12 requirement does not preclude the utility from combining readings where
13 metering configurations support such an approach. Meter readings from
14 individually metered separate service laterals shall not be combined for
15 billing purposes.

16
17 The following illustrates our general policy regarding combined metering.

18 Company A owns a facility which receives water service through Meter A. On an
19 adjacent parcel, Company B owns a facility which receives water service through
20 Meter B. Each is billed according to the water utility's authorized rates. Company
21 A then purchases the Company B facility. From the perspective of the water
22 utility, nothing has changed in the provision of water service to each facility,
23 other than the name on the bill. However, if Company A is now able to combine
24 the meter readings of Meter A and Meter B for billing purposes, it would pay less
25 for the exact same service that was provided prior to the ownership change.

26 Because the ownership of Company A and Company B does not reduce the water
27 utility's cost of providing service, bill consolidation would not be appropriate for
28 Company A and Company B under our general policy.

- 1 Q. Do you recommend that MWW change its operating rules on combined metering
2 to conform to our standard policy?
- 3 A. No.
- 4 Q. Does this conclude your rebuttal testimony?
- 5 A. Yes.